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Tobacco Company Curtailing Print Ads after Attorneys General Object

(Phoenix, Ariz. - Nov. 29, 2007) Attorney General Terry Goddard today announced that RJR Reynolds Tobacco Company, following strong concerns he and other state attorneys general raised about the company's marketing practices, has agreed to change its advertising policy and not advertise its cigarette brands in U.S. newspapers and magazines in 2008.

RJR's brands include Camel, Winston, Pall Mall and American Spirit. It is the country's second-largest tobacco company behind Philip Morris, which has not run U.S. print ads for any of its cigarette brands in the past three years.

RJR's advertising decision follows a meeting last month of company executives with state attorneys general and a letter sent last week to the company by Goddard and Washington Attorney General Rob McKenna. Goddard and McKenna are co-chairs of the Tobacco Committee of the National Association of Attorneys General.

In the Nov. 21 letter to RJR, Goddard stated that a large, fold-out ad in the Nov. 15 issue of Rolling Stone magazine used cartoons to promote Camel cigarettes in violation of the Master Settlement Agreement (MSA) between the states and major tobacco companies. The agreement prohibits tobacco companies from using cartoons to appeal to teenagers. The letter demanded that the company confirm it would not continue to place such advertising.

RJR claimed that its Rolling Stone ad did not violate the "cartoon" prohibition under the MSA, contending it did not have advance knowledge about the content of the fold-out poster prior to printing. The company said its Camel ads did not target youth but went on to say it had decided not to publish any print ads promoting its cigarette brands in 2008.

"While we appreciate RJR's decision to stop publishing ads in newspapers and magazines, the company's decision apparently applies only to 2008," Goddard said. "RJR continues to use other marketing tools, including direct mail, Web sites, point-of-sale displays and events such as concerts and rodeos. Therefore, we will continue to closely monitor its sales and promotional activities to be sure it is not marketing to youth or otherwise violating the MSA."

Regarding the Rolling Stone ad, Goddard said the company's statement that it lacked advance notice regarding the cartoons and graphics, even if true, does not justify the publication since the company is responsible for its ads, including any need to amend or cancel them.

Arizona, along with 45 other states, signed the tobacco Master Settlement Agreement in 1998 with the four largest tobacco companies in the U.S. to settle state suits to recover billions of dollars in costs associated with smoking-related illnesses. Four states -- Florida, Minnesota, Mississippi, and Texas -- settled their tobacco cases separately from the MSA.

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